



Understanding the effect of social media on consumer purchase decisions

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Abstract

The impact of social media on consumer purchasing behaviour, emphasizing how digital platforms shape decision-making and brand interactions. It explores key factors such as social media usage, brand engagement, and purchase habits, revealing that while increased social media activity fosters brand awareness and interaction, it does not always lead to direct purchases. Instead, past purchasing patterns and trust in online recommendations play a crucial role in influencing consumer decisions. The study employs statistical tools like correlation and regression analysis to determine the strength of these relationships, finding that personalized marketing strategies, influencer endorsements, and interactive brand content can significantly impact consumer engagement. The research highlights the growing importance of social commerce, where integrated shopping features on platforms like Instagram and Facebook simplify the purchasing journey. The study concludes that businesses must focus on high-quality engagement, targeted advertising, and data-driven marketing strategies to enhance consumer trust and drive conversions, ensuring long-term brand loyalty in an increasingly digital marketplace.

I. Introduction

Social media has changed the way businesses and consumers interact, making it a powerful tool for marketing and influencing purchasing decisions. With over 4.7 billion users worldwide, platforms like Facebook, Instagram, and Twitter have become essential for brand engagement, product discovery, and consumer decision-making. Modern consumers use social media not only to connect with others but also to research products, compare brands, and make purchasing choices based on online recommendations. Research shows that social media engagement is closely linked to brand trust, customer satisfaction, and long-term business success. Additionally, the rise of influencers has further shaped how consumers perceive brands,

making social media a key factor in marketing strategies.

Despite its significant impact, understanding the exact ways in which social media influences consumer behaviour remains complex. While many studies have explored the role of brand interactions, trust, and perceived risk, there is still a need to examine how these elements work together to affect purchasing decisions. The fast-changing nature of social media, with new platforms, features, and trends emerging regularly, adds to this complexity. For instance, interactive features like live streaming, short-form videos, and AI-driven recommendations are transforming consumer engagement. By studying these aspects, businesses can develop more effective marketing strategies that enhance customer relationships and drive sales.

This research is valuable both academically and practically. Academically, it contributes to the field of digital marketing by analysing how social media shapes consumer decision-making. It helps businesses understand how to leverage user-generated content, influencer marketing, and targeted advertisements to build stronger brand connections. Practically, it offers insights that can help companies improve their social media strategies to increase engagement, trust, and customer loyalty. As consumer preferences and digital technologies evolve, businesses must continuously adapt to remain competitive in this fast-paced environment.

The study focuses on four main objectives: understanding consumer social media usage, analysing brand-consumer interactions, evaluating their impact on purchase decisions, and identifying trends in consumer purchasing behaviour. It reviews existing research in digital marketing, consumer behaviour, and social media trends while considering differences across platforms like Facebook, Instagram, Twitter, and TikTok. Additionally, the study explores the integration of emerging technologies such as artificial intelligence and augmented reality in social media marketing.

The research is structured into several sections. The Literature Review examines previous



studies on social media’s impact on purchasing behaviour, including brand interaction, trust, and influencer marketing. The Methodology section explains the research approach, data collection methods, and analysis techniques used. The Findings section presents the results, while the Discussion interprets these findings in relation to existing theories. Finally, the Conclusion summarizes the study’s key insights, acknowledges limitations, and provides recommendations for future research and marketing strategies. By addressing these areas, the study aims to provide a comprehensive understanding of social media’s role in shaping modern consumer behaviour.

II. Research Methodology

1. Objective of the Study

The primary objective of this study is to analyse the influence of social media on consumer purchase behaviour. The study aims to:

- Examine social media usage patterns among consumers aged 18–35 years.
- Understand the impact of brand interactions on social media on consumer trust, loyalty, and purchase decisions.
- Assess the relationship between social media engagement and purchasing behaviour.
- Identify trends in social media-driven consumer purchase behaviour.

2. Hypothesis

The research is based on the following hypotheses:

- **H1:** Social media positively impacts consumer purchase behaviour.
- **H2:** There is an exponential relationship between social media exposure levels and purchase intent.
- **H3:** The relationship between social media engagement and purchasing behaviour is statistically significant.
- **H4:** Purchasing behaviour trends among the 18–30 age group are linked to their interactions on social media.

Data Collection & Analysis

Descriptive Statistics

Frequency Table

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	8.3	8.3	8.3
	2	59	54.1	54.1	62.4
	3	23	21.1	21.1	83.5

3. Scope of the Study

The study focuses on understanding how social media influences consumer decision-making and purchasing behaviour. It covers:

- The role of different social media platforms in shaping consumer attitudes.
- The impact of influencer marketing, advertisements, and peer interactions on purchase decisions.
- Behavioural patterns of consumers aged 18–35 years, the most active demographic on social media.
- Emerging trends in social media-driven marketing and consumer engagement strategies.

4. Sample Design

The research adopted a **simple random sampling method** to ensure unbiased data collection. The target population consists of individuals aged **18–35 years**, as they represent a significant portion of social media users actively engaged in online purchases. The sample size comprises **109 respondents**, ensuring statistical reliability and diversity in responses.

5. Sample Method

The study uses **structured questionnaires** as the primary data collection tool. The questionnaire is divided into four sections:

1. **Social Media Usage** – Frequency, platform preferences, and time spent online.
2. **Brand Interaction** – Nature and frequency of engagement with branded content.
3. **Impact on Buying Decisions**– Role of advertisements, influencer endorsements, and peer reviews.
4. **Buying Behaviour**– Purchase frequency, recommendations, and advertisement effects.

The collected data is analysed using **descriptive and inferential statistical methods** (e.g., frequency tables, T-tests, ANOVA, and regression analysis) through **SPSS software** to validate hypotheses and derive meaningful insights.



	4	16	14.7	14.7	98.2
	5	2	1.8	1.8	100.0
	Total	109	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	46	42.2	42.2	42.2
	2	57	52.3	52.3	94.5
	3	6	5.5	5.5	100.0
	Total	109	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	42	38.5	38.5	38.5
	2	24	22.0	22.0	60.6
	3	16	14.7	14.7	75.2
	4	27	24.8	24.8	100.0
	Total	109	100.0	100.0	

The study analyzed demographic factors such as **age, gender, and occupation** of 109 respondents:

- **Age Distribution:** The majority (54.1%) belong to Category 2, followed by 21.1% in Category 3.
- **Gender Distribution:** 52.3% were in Category 2 (majority), while Category 1 accounted for 42.2%.
- **Occupation:** The largest group (38.5%) belonged to Category 1, followed by 24.8% in Category 4.

Correlations

		SMU	BISM	IPD	PRBHV
SMU	Pearson Correlation	1	.349**	.161	.055
	Sig. (2-tailed)		.000	.094	.573
	N	109	109	109	109
BISM	Pearson Correlation	.349**	1	.044	.212*
	Sig. (2-tailed)	.000		.653	.027
	N	109	109	109	109
IPD	Pearson Correlation	.161	.044	1	.401**
	Sig. (2-tailed)	.094	.653		.000
	N	109	109	109	109
PRBHV	Pearson Correlation	.055	.212*	.401**	1
	Sig. (2-tailed)	.573	.027	.000	
	N	109	109	109	109

Correlation is significant at the 0.01 level (2-tailed).

Correlation is significant at the 0.05 level (2-tailed).



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 Correlation is significant at the 0.05 level (2-tailed).
 The correlation analysis explored relationships between Social Media Usage (SMU), Brand Interaction on Social Media (BISM), Impact on Purchase Decision (IPD), and Purchase Behavior (PRBHV):

- SMU & BISM ($r=0.349$, $p<0.01$) → Moderate positive correlation (higher social media usage leads to more brand interaction).
- BISM & PRBHV ($r=0.212$, $p<0.05$) → Weak but significant correlation (brand interaction slightly influences purchase behavior).
- PRBHV & IPD ($r=0.401$, $p<0.01$) → Moderate correlation (past purchase behavior significantly influences purchase decisions).

- SMU & PRBHV/IPD ($r=0.055$, $r=0.161$, $p>0.05$) → Weak/insignificant relationship (social media usage alone does not directly impact purchasing decisions).

ANOVA (Analysis of Variance)

The ANOVA (Analysis of Variance) test helps determine whether there are significant differences in the Impact on Purchase Decision (IPD) based on the independent variables:

- Social Media Usage (SMU)
- Brand Interaction on Social Media (BISM)
- Purchase Behavior (PRBHV)

The goal of the ANOVA test is to check if these factors have a statistically significant impact on purchase decisions.

Model	Sum of Squares	Df	Mean Square	F-Statistic	Sig. (p-value)
Regression	4.431	3	1.477	8.175	0.000
Residual	18.970	106	0.181		
Total	23.401	109			

Sum of Squares (SS):

- Regression SS (4.431): The amount of variation in the dependent variable (IPD) explained by the independent variables (SMU, BISM, PRBHV).
- Residual SS (18.970): The unexplained variance (the portion that cannot be accounted for by the independent variables).
- Total SS (23.401): The overall variance in IPD among the respondents.

2. Degrees of Freedom (df):

- Regression df = 3: The number of independent variables in the model (SMU, BISM, PRBHV).
- Residual df = 105: Total sample size (109) minus the number of predictors (3) and one additional for the intercept.

III. Conclusion

The study "Understanding the Effect of Social Media on Consumer Purchase Behaviour" provides a comprehensive analysis of how digital interactions influence purchasing decisions. The research highlights that while social media usage (SMU) correlates positively with brand interaction (BISM), it does not directly translate into consumer purchases. Instead, purchase behaviour (PRBHV) has the strongest correlation with the impact on purchase decisions (IPD), emphasizing the

significance of past consumer behaviour in shaping future buying patterns. Regression analysis further confirms that PRBHV, SMU, and BISM collectively explain 18.9% of the variation in IPD, reinforcing that social media engagement alone is not a sufficient predictor of consumer purchases. The findings suggest that brands must focus on enhancing engagement quality rather than merely increasing platform usage. Strategies such as personalized content, interactive brand experiences, and leveraging AI-driven insights can improve consumer interaction and drive meaningful engagement. Furthermore, businesses should integrate social commerce features, such as in-app purchases and influencer collaborations, to bridge the gap between engagement and conversion. The study contributes valuable insights for marketers, emphasizing the need for data-driven strategies that optimize social media marketing efforts. It also underscores the importance of understanding consumer psychology, refining content strategies, and leveraging digital tools to create a seamless and compelling buyer journey. Ultimately, while social media plays a crucial role in shaping brand perception, its true impact on purchase decisions depends on strategic execution, personalized experiences, and consumer trust.

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